

NEWS RELEASE

Gail Windpower Project 137 S. Benzie Blvd. Beulah, MI 49617

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Gail Windpower Project Development Discontinued

BEULAH, MICH. – Due to its need to focus on the construction of five new U.S. wind farms in 2012, Duke Energy Renewables is discontinuing development of the proposed Gail Windpower Project in Benzie County and Manistee County in Michigan.

Duke Energy Renewables began notifying participating landowners and other key stakeholders of its decision earlier this week. The company will keep its Beulah, Mich., office (137 S. Benzie Blvd., 231-882-9626) open by appointment through March 30, 2012, to answer questions from landowners.

"First and foremost, our development team would like to express its deepest gratitude to all of the families, community leaders and individuals who have supported the proposed project throughout the last two years," said Duke Energy Renewables Vice President Milt Howard.

"Although we are disappointed to discontinue development of the Gail Windpower Project, we are proud of all the hard work and community collaboration that went into exploring the merits of generating wind energy in the area," he said.

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The Gail Windpower Project was always contingent on a number of factors, including securing a long-term agreement with a power purchaser for the clean electricity the wind farm would generate. The company determined that the timing for this particular project may not align with the anticipated need for renewable power in Michigan's wholesale electricity market.

Furthermore, Duke Energy Renewables recently committed to build five large-scale wind power projects in 2012 – two in Kansas, two in Texas and one in Pennsylvania. The company intends to focus its efforts on constructing these projects and <u>investing</u> in the communities that will host them.

"Without question, the proposed Gail Windpower Project was the catalyst for a tremendous amount of discussion about wind energy in the region; much of it was respectful and fact-based, some of it less so," said Howard. "The exceptional natural wind resource in the region is not going away, so we encourage the counties and townships to continue pursuing a productive, fact-based dialogue about wind energy in the months ahead."

About Duke Energy Renewables

Duke Energy Renewables, part of Duke Energy's Commercial Businesses, is a leader in developing innovative wind and solar energy solutions for customers throughout the United States. The company's growing portfolio of commercial renewable assets includes 10 wind farms and 11 solar farms in operation in eight states, totaling more than 1,000 megawatts in electric-generating capacity. Learn more at www.duke-energy.com/renewables.

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